

**USAID/Albania**  
**Operational Plan**

**FY 2006**

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## **Program Performance Summary FY 2005: I. Democratic Reform**

A. Country Situation: FY 2004 saw breakthroughs on the democratization front but little improvement in governance or the rule of law. One significant improvement was due to the 2005 parliamentary elections. The OSCE-brokered bipartisan consensus on changes to the electoral law paved the way for much-improved July 2005 elections, which were judged to be in “partial compliance” with international standards. The elections resulted in a peaceful transfer of power - a milestone in Albania's democratization process and its prospects for EU accession.

Corruption remains one of the most severe problems undermining Albania's political system. Despite Parliament's enactment of laws aimed at organized crime and conflicts of interest, the Government of Albania's (GOA) ability or will to implement and enforce compliance with laws remained weak. For its part, the judiciary continued to be regarded as among Albania's most tainted institutions. For the third consecutive year, Albania's score and rank in the Transparency International Corruption Perceptions Index worsened.

This was a consolidation year for Albanian decentralization. There were few visible improvements in local governance over the last year; neither was there any serious backsliding. The dialogue between central and local authorities over fiscal decentralization resumed at the end of 2005, and began to bear fruit in agreement over issues like water and budget transfers. The overall media picture is one of stasis, even deterioration. There was no change in the aggregate Media Sustainability Index this past year, and other indices purport to show a decline in media independence. Albania's media outlets are still publicly linked to or subordinate to politico-economic interests that color their reportage. Defamation remains a criminal offense, which has a chilling effect on news reporting.

B. U.S. Assistance Priorities: U.S. Government (USG) assistance focused on strengthening civil society; fostering citizen involvement in economic and political processes and decision making; increasing the transparency of information and citizen confidence in the government and in the accuracy of news and information; increasing independence of local administration from central government; and strengthening government institutions. Our Rule of Law programs aimed at improving legal institutions and establishing more transparency and accountability in the government by strengthening government audit and accountability mechanisms and fostering judicial integrity. USG programs also supported non-governmental organizations (NGOs) and other civil society institutions to promote a watchdog function and increase involvement in legal and regulatory reforms.

### **C. Program Performance:**

Strengthening Civil Society: Driving civil society improvement in Albania were civic monitoring activities that proliferated before, during and immediately after the July 2005 parliamentary elections for which USAID provided support. Indeed, the USG was the only international donor to support domestic election monitoring. One key organization behind the high impact elections activities was the NGO coalition, the Albanian Coalition against Corruption (ACAC). With USAID assistance, the coalition secretariat knitted together seven NGOs, which mobilized a record 3,000 volunteers who monitored more than a third of Albania's voting centers and all vote-counting centers. The USG also funded the European Network of Election Monitoring Organizations (ENEMO), a coalition of NGOs from Central and Eastern Europe. This effort ratcheted up international scrutiny while transferring skills to Albanian election watchdogs.

USAID funded the first election poll in Albania in April 2005, which triggered a robust media response and a vigorous debate about polling and the specific findings of this poll. The findings had an impact on civil society and political party behavior during the campaign, especially as parties and candidates began to shape their campaigns around issues the poll identified as important to voters. The USAID-funded poll was the only one to accurately foreshadow the election result.

Collectively, these activities had a measurable impact on civil society development. The NGO Sustainability Index nudged Albania closer to the consolidation threshold. Albania's overall index score had been on a steady climb since 2000. The Freedom House Nations in Transit annual score (2005)

shows a similar rise. Most of the NGO sector in Albania remains heavily reliant on donor funds, though a few NGOs this year succeeded in diversifying their sources of support, ensuring their self-sustainability.

**Increasing Media Independence and Professionalism:** The longstanding issue of media subordination to political and economic interests was more in evidence during the election cycle. Yet there was short-term improvement in news coverage as the result of a USAID-funded media monitoring effort. With assistance from USAID, three ACAC member organizations surveyed media outlets during the lead-up to the elections. This prodded media to compete to balance their campaign coverage in order to comply with the Electoral Code. The result was a dramatic improvement in media coverage. USAID moved in to consolidate the independent TV network ALBNet with material and technical assistance. While the network has yet to serve its intended purpose of improve local reporting, USAID-funded activities did produce televised debates in twenty electoral districts, contributing to media professionalism at the local level.

USAID continued to sponsor Hapur, the "60 Minutes"-style investigative TV news show, which maintained a lower profile this year, as did its USAID-produced counterpart civic action show, Heroes. State TV refused to broadcast the shows in Tirana, the nation's largest market, shrinking visibility and impact. More sensationalized copycat news shows proliferated on commercial channels in Tirana, meanwhile, displacing Hapur in audience size and impact. This trend will be reversed in 2006. USAID recently secured wider dissemination for the show through a contract with a Tirana television station, which will now broadcast weekly Hapur episodes in Tirana. USAID will redouble efforts to preserve media independence by strengthening ALBNet, and by emphasizing professional ethics through support for the Press Council and other associations.

**Strengthening Democratic Local Governance:** USAID addressed fiscal de-concentration and local government capacity to consolidate decentralization. One negative factor on program impact was the fact that local governments were handed the responsibility of preparing voter lists for the 2005 parliamentary elections, diverting resources from city operations while giving local authorities new authority. FY 2005 was however an expansion year for local government assistance. The USG's local government and decentralization program opened regional offices in Shkodër, Pogradec, Fier, and Gjirokastër, and its assistance expanded from 10 to 24 target cities. Some 40 Service Improvement Action Plans (SIAPs) in 23 local governments were prepared this year and will be implemented in 2006. Local services in USAID-targeted cities improved modestly in quality and coverage - e.g., in sanitation, water, electrification, and street repair.

**Support Free and Fair Elections:** USAID/Albania's elections administration program yielded major results this year, with a few disappointments. With additional SEED funds from State/EUR/ACE, USAID produced computerized maps of all Albania's polling units based on new satellite images (also done by USAID). These maps proved crucial to the electoral process - helping cities update voter lists, giving Parliament a means to ratify electoral districts, and guiding the deployment of international monitors. The maps were given to the GOA, thus enhancing sustainability of an Albanian mapping capability. Saddled with the burden of preparing voter lists, cities came to rely heavily on USAID maps. Were it not for USG support, local authorities would not have met Albanian election law's rigid deadlines.

Other assistance to the Central Elections Commission (CEC) had an impact. Election officials received training from USAID experts on voting and counting procedures - instrumental in the context of the new electoral law. USAID trained poll watchers and observer NGOs on a potentially problematic feature of the law: the centralization of vote counting. USAID published all CEC voting and counting procedure manuals, which were placed in all 4,800 polling places and all 100 zonal counting centers. This information reduced irregularities despite changes to electoral rules. Jointly with the CEC, USAID produced a multimedia voter information campaign that explained the new voting procedures while urging people to vote.

The outcome of assistance was an election regarded by observers as improved in most respects, one that produced an orderly transfer of power: a watershed moment for Albanian democracy for which the USG can make a claim of attribution. The European Union (EU) specifically cited the electoral process

improvement as the primary reason for the expediting of Albania's association with the EU.

**Political Parties Strengthened:** FY 2005 saw the advent of a USAID-funded political party Leadership Academy, the signing of compacts between a USG partner and all major political parties to adopt the One Member One Vote (OMOV) principle in their party bylaws. That principle was put into practice by the Socialist Party in the selection of its new leadership following the party's defeat in July 2005.

**Promote and Support Anti-Corruption Reforms:** The first year of USAID's new institutional tack to anticorruption yielded results, particularly from support to the High Inspectorate for the Declaration and Audit of Assets (HIDAA). The asset disclosure law, enacted in 2004, obliges officials to file declarations of assets annually. USAID deployed an on-site advisor to the Inspectorate to train inspectors and assist the agency in developing a case management system in order to expedite and improve audits. Modest results were apparent despite serious obstacles, including lack of political will and poor quality of information received from banks and government institutions. Eight officials were dismissed as the result of audits, two audits were referred to prosecutors for investigation in FY 2005, and one official was imprisoned.

The lynchpin of USAID's anticorruption program is support for watchdogs and key justice associations. The Citizens Advocacy Office (CAO), to whom USAID provides direct institutional support, proved a visible advocate for judicial reform by launching class action lawsuits and coming out in favor of multiple reforms, including one aimed at the High Council of Justice (HCJ). In order to improve the CAO's long-term sustainability prospects, USAID helped CAO forge a partnership with Transparency International and create a Board of Friends made up of major businesses and donors. USAID supported the National Chamber of Advocates (NCA), the professional association for the Albanian lawyers. This project made strides with the approval of a revised Code of Ethics to provide for sanctions against lawyers who violate its provisions. With USAID prodding, the NCA is set to establish disciplinary committee to enforce the Code.

USAID support to watchdogs and associations produced results in terms of NGO strength and public awareness. Both the NGO Sustainability Index and Freedom House Nations in Transit indicators show a second consecutive year of gain. Both reports cite CAO's watchdog activities as one reason for improved advocacy and sector sustainability. In terms of public awareness, surveys show a much greater degree of sophistication about the extent of corruption and its effects. At the macro level, however, there was little change in accepted indices. Transparency International's Corruption Perceptions Index (CPI) reported that Albania suffered a decline (from 2.5 to 2.4) in the perceptions score and global rank. Perceptions may indeed worsen as demand for action against corruption becomes more intense, regardless of the government response, as there is a time lag between government action and change in perception.

**Improve Justice Sector/Legal Framework:** USAID's assistance to pilot courts and national court administrative institutions continued with case management training for the Vlora and Kavaja pilot courts. USAID also continued court administration courses in partnership with the School of Magistrates; trained Court chancellors on court administration; continued to automate civil and criminal case management in Shkoder, Vlore and Kavaja; and trained court personnel. USAID delivered and installed 80 copies of the updated legal acts database throughout the judiciary and developed a Customer Bill of Rights and Responsibilities, now posted in all pilot courts. The result was improvement in the efficiency and transparency in the USAID-supported courts. Despite USG efforts, there was no change in the macro measures of legal system performance. The Nations in Transit Index shows a slight drop in the aggregate score on legal and judicial reforms.

In addition to support to institutions, USAID provided assistance to support the enactment and implementation of key anticorruption laws, including the Conflict of Interest Law, Media Law, Code of Administrative Procedures, and Freedom of Information (FOI) Law. In cooperation with the Ombudsman, USAID helped to establish an interagency working group on FOI regulations. USAID recently gave a grant to the Albanian Media Institute to formulate a Code of Ethics for Journalists and to set up a Council to monitor implementation of this Code. The resulting impact is so far limited, since these laws have yet to be successfully implemented.

USAID partners contributed to enforce women's legal rights through training for sitting judges and students of the Magistrates School on family law, anti-trafficking, and domestic violence. USAID delivered a Family Law Bench Book, an Anti-Trafficking Resource Manual, and Gender Legislation Booklet - all "how-to" manuals aimed at legal professionals. The USAID-funded Women's Legal Rights Initiative (WLR) developed a Domestic Violence bill which offers new protections to women and children in particular.

## II. Economic Reform Assistance

A. Country Situation: Continued macroeconomic stability and structural reforms, migrant remittances, and increased productivity in 2005 helped Albania achieve significant economic growth, a low level of inflation, a decrease in budget deficit and external debt, and an increase in foreign currency reserves. While the gross domestic product had been expected to maintain a growth rate of 6%, the International Monetary Fund recently downgraded its expectations because of worsening power shortages in late 2005. The per capita GDP in 2004 was \$2,400, a 23.1% increase from the previous year, and the average annual inflation was 2.3%. Public revenue slightly increased to 24.8% of GDP in 2004. Sound financial sector policies succeeded in expanding banking intermediation and reducing cash transactions. Bank credit to the private sector has grown significantly.

Despite these impressive achievements, Albania continues to be one of the poorest countries in the southeastern region of Europe. About one-fourth of the population lives below the poverty line of \$2 per capita per day, and the official unemployment rate remains high at 14.6%. Foreign direct investment was still among the lowest in the region at \$340 million at the end of 2004. Albania's weak competitiveness has stymied broad-based export-driven expansion of the economy. The investment environment remains unfavorable due to severe infrastructure deficiencies, weak governance and institutions, unresolved property issues, lack of a highly skilled work force, and a large informal economy. The lack of a reliable and adequate supply of energy continues to be a major constraint to Albania's economic growth. The total level of bank credit to the private sector, though expanding rapidly, is still the lowest in the region.

The Albanian Power System relies on hydro-power more than 95% of its electricity generation and therefore depends highly on rainfall. Lack of investment in new generation facilities, poor maintenance of existing facilities, and limited capacity for energy imports has significantly reduced energy supply in Albania at the same time that demand is growing. These problems are compounded by weak institutional capacity to effect necessary reforms of the energy sector and inefficient management of the state-owned Albanian Power Corporation (KESH). As a result, Albania continues to face serious energy crises that threaten the sustainability of its economic growth.

B. U.S. Assistance Priorities: In 2005, USAID assisted Albania in addressing the issues of SME development, unemployment, poverty, trade competitiveness, and foreign direct investment through an integrated program. USAID's program supported the sustained growth of SMEs through (1) improving private sector competitiveness; (2) strengthening the financial services sector and increasing access to capital; and (3) improving economic policy and the business environment. USAID's assistance aimed to enhance the competitiveness of Albanian enterprises in domestic and foreign markets, increase exports, encourage domestic and foreign investments, create jobs, and reduce poverty.

USAID's energy sector assistance aims to build the Government of Albania's institutional, operational, and managerial capacities to effectively plan and implement restructuring efforts to improve the energy sector and foster a favorable environment for business development and investment. The major objective of USAID's program is to strengthen the Electricity Regulatory Entity's (ERE) capacity to function as a fully independent and transparent regulatory body that is able to establish open and transparent policies and procedures for tariff setting, licensing and oversight as required for a reliable, environmentally sound, and financially self-sufficient power sector. USAID also assists KESH to develop the financial and operational management capacities to become an effective participant in the Energy Community for the South East Europe (ECSEE) and implement the unbundling of its generation, transmission, and distribution assets into independent, stand-alone companies.

### C. Program Performance:

Improving Private Sector Competitiveness: Thousands of micro-, small and medium-sized enterprises have benefited from USAID assistance to improve capacity and obtain credit. Small dairy and livestock farmers have moved from subsistence to small and medium-sized commercial production. Dairy processors have increased their revenues by improving the quality and quantity of their products. Assisted firms realized significant increases in sales in the specialty tourism, dairy and meat processing, herbs and spices, and shoes and leather goods sectors. Assisted enterprises realized \$114.05 million in domestic sales and \$44.58 million in exports. Many assisted enterprises reported increase in sales of up to 25% in domestic markets and 28% in export markets. These sale results do not include sales by several thousands of micro-enterprises that received loans from the micro-finance activities.

Strengthening the Financial Services Sector and Increasing Access to Capital: USAID helped SMEs access commercial credit through its small business assistance activity and the Development Credit Authority (DCA) loan guarantee program established near the end of FY 2005. USAID assisted SMEs in obtaining 81 bank loans for a total value of \$9.57 million and 6,490 non-bank loans for a total value of \$16.94 million. The USAID micro-lending program has achieved operational and financial sustainability and received an A+ rating from Mikrofinanza, an approved rater based in Italy.

The DCA loan guarantee is a Global Development Alliance (GDA) activity based on a partnership between USAID and the biggest commercial bank in Albania, Raiffeisen, through which USAID used \$650,000 to leverage \$12.0 million of credit for Albanian SMEs. Another GDA activity between USAID and Opportunity International is helping to expand access to microcredit into the poor northeast region of Albania. USAID contributes \$850,000 to a total program cost of \$1,650,000.

Technical assistance was also provided to the Bank of Albania (BOA), the Deposit Insurance Agency (DIA), and the Insurance Supervisory Authority (ISA) to improve financial sector stability and strengthen public confidence in the banking system in order to increase the flow of capital to the private sector. In addition to improving the BOA's internal operations and supervisory capacity, USAID's assistance has played a crucial role in helping BOA and DIA meet targets set by the World Bank. The value of the deposits in the banking system continued the positive growth trend that started in 2001, indicating growing confidence in the banking system. Bank deposits increased from \$3.46 billion in 2003 to \$3.71 billion in 2004. Deposits at the end of the second quarter of 2005 were reported at \$4.09 billion.

Improving Economic Policy and the Business Environment: USAID assisted the GOA to undertake policy and regulatory reforms that enhance the competitiveness of enterprises, improve capacity to benefit from the free trade agreements, and encourage investment. Efforts also focused on anti-corruption, business ethics, reduction of regulatory and fiscal barriers to business development, improvement of the energy sector, and maintenance of a sound financial sector. Free trade agreements between Albania and eight countries in the region have entered in force, creating more favorable conditions for regional trade. USAID also supported the first registration of immovable property and the implementation of the law on property restitution and compensation. The registration of 212,000 properties from 2002 to 2004 was completed with USAID assistance.

Improving the business environment for private sector-led growth and investment has proven difficult because of persistent widespread corruption and the lack of political will to address simplification of business registration, elimination of administrative barriers, and fiscal reforms. The implementation of the Millennium Challenge Corporation Threshold Program in Albania and the pro-business and anti-corruption policies of the new Albanian Government are expected to rapidly and significantly improve the business environment.

The lack of a reliable and adequate supply of energy at reasonable costs discourages domestic and foreign investment and hinders business development. Successful restructuring of the energy sector will make a critical contribution to the improvement of the business environment in Albania. During the reporting period, the USAID Energy Program continued to focus on the strengthening of ERE's capacity,

the restructuring of the domestic energy market, and the participation of Albania in the regional electricity market. USAID's assistance was instrumental to the improvement of ERE's core competencies, independence, and transparency. According to the result of a survey conducted among stakeholders in September 2005, ERE improved to a medium-high level of independence and transparency, compared with the previous year.

In addition to development of methodology and procedures for setting unbundled tariffs and licensing of the Transmission System Operator (OST), qualified suppliers, and several independent power producers, ERE prepared and secured approval of sample licenses for import and supply activities, and the regulations for withdrawing of licenses. It also prepared the general terms and conditions for Power Purchase Agreements. Moreover, a workshop for power sector staff on the application of newly approved methodologies and models for unbundled electricity tariffs was conducted. These actions will improve the efficiency of the domestic energy market and increase the accuracy and transparency of tariff applications submitted by KESH and OST.

USAID continued to support the partnerships between KESH and OST with several U.S. companies and utilities. Three meetings between KESH and Idaho Power Company (IPC), as well as between OST and three American utilities (PJM, Northwest Utilities Service, and ISO New England) occurred in Albania and the United States. Through this partnership, KESH is improving customer service, as well as policies and practices related to metering, billing, and collection. OST learned from its American partners the best practices in organizing and managing a transmission system.

The adoption of the Transitional Market Model (TMM) by the GOA in 2004 represents a significant milestone for the USAID Energy Program and sets the stage for the TMM's implementation on a financially sound basis in compliance with the ECSEE Treaty. USAID supported a workshop on the implementation of the TMM that led to the creation of a working group to facilitate the implementation of the market model.

**Expanding and Improving Access To Economic & Social Infrastructure:** In 2005 USAID supported an energy efficiency evaluation of thermal insulation potential in existing building stock to reduce household heating demand. Since 2004, the Government of Albania (GOA) has established a budget-funded Low Income Household Energy Assistance program which benefits about 190,000 low income households. The USAID activity is helping Albanian decision-makers to balance reduced subsidies with energy conservation. Improving thermal insulation of houses will result in lower energy consumption and lower household energy bills.

USAID collaborates with other donors in the economic development of Albania. USAID works with the European Commission and the Organization for Security and Cooperation in Europe (OSCE) in property registration and the implementation of the law on property restitution and compensation, with GTZ in SME development, and with International Monetary Fund (IMF) in improvement of the financial services sector. The most important collaboration is in the energy sector, with the World Bank playing the coordinating role.

### III. Social Reform and Humanitarian Assistance

**A. Country Situation:** Despite improvements in the past few years, mortality and morbidity levels in Albania remain high. USAID and other analyses indicate that severe fiscal constraints make large increases in GOA health investment highly uncertain because of "limited absorptive capacities due to inadequate management" of existing resources. Extensive legal, regulatory, financial and programmatic reforms of the health care system are prerequisite to raising health indicators to levels comparable to those of neighboring countries.

The GOA is actively encouraging health sector reforms. In 2004, the Council of Ministers approved a ten-year health strategy with the reform of primary health care (PHC) as the foundation. In September 2005, the new government program for 2005-2009 was approved by the Albanian Parliament, pledging "fundamental reform of the health system at all levels with considerable allocation of public funds." PHC



reforms remain tentative and fragmented. Health resource allocations have been historically highly centralized, over-emphasizing costly hospital and specialist care. The poor quality of PHC services and endemic corruption have provoked public disdain and low utilization.

B. U.S. Assistance Priorities: USAID's Health Program is 1) promoting operational PHC models that increase capacity to absorb public finance based on higher quality of and greater public demand for primary and preventive health services; 2) acquiring and sharing an understanding of health care financing and helping the GOA test more efficient ways to invest in the sector; and 3) promoting the use of modern methods of contraception to help reduce widespread reliance on pregnancy termination and improve spacing and limitation. A USAID health portfolio evaluation was completed in September 2005, providing detailed recommendations for strategy refinement.

#### C. Program Performance:

Improving Maternal Health and Nutrition and Improving Child Survival, Health and Nutrition: USAID increased support for key maternal health services and child survival promotion and services. Model services expanded from the pilot region of Berat to four additional regions. PHC centers with one or more improved features increased from 18 to 528, and use of PHC services in the enlarged project areas increased. A new PHC continuing medical education (CME) curriculum was completed and training begun, reaching about 4% of all nurses and midwives at the national level. COPE (Client-oriented Provider-efficient) methodology, which was adopted by the Ministry of Health (MOH), was introduced in four prefectures for PHC needs assessment, provider and client empowerment, and local team building and action plans. The quality improvement program included 856 service providers from 61 health centers and 199 health posts. Indices showed subsequent improvements in quality of services.

A community mobilization campaign was developed and promoted in 30 communities, prompting significant increases in demand for PHC services. Given widespread public disdain for PHC, the USAID approach to accompany clinical and finance-oriented reforms with effective and widespread PHC awareness/demand-generation initiatives is producing good results.

Supporting Family Planning: Through USAID's family planning project, sites equipped with trained personnel and supplies for family planning services increased from 96 to 170, and knowledge of modern methods of contraception and the percent of couples using modern methods increased. Contraceptive prevalence rates in the covered areas increased from 8.5% in 2003 to 15% in 2005. During 2005, the program reached an additional 32% of centers that did not have access to family planning services and modern contraceptives. Service providers at 341 health posts (83% of all service delivery points nationwide) now have been trained in supply logistics management. Significant problems remain. Stock-outs of key family planning methods continue to be a chronic problem due to poor district and local logistics management and administrative delays. The GOA has yet to make its national Contraceptive Security Commission and Logistics Management Information System fully functional despite several years of external support.

Preventing and Controlling Infectious Diseases: USAID increased its support for surveillance and control of tuberculosis through an umbrella contract. An assessment identified priorities for early detection and Directly Observed Therapy Short Course (DOTS) case management, and a tuberculosis (TB) component was developed accordingly. Separately, USAID assisted the GOA's successful re-application to the Global Fund for HIV/AIDS, TB, and Malaria (GF). Albania now is eligible to receive considerable GF funding for prevention and control of tuberculosis. TB is not especially prevalent in Albania, and the objective is to keep it that way.

Reducing Transmission and Impact of HIV/AIDS: USAID began significant support for the GOA's AIDS program in 2005. Consultant assistance helped develop a national HIV/AIDS monitoring and evaluation plan - a critical feature of which was the surveillance of high-risk groups. Directly and through two partners, USAID supported design and data collection for a biological and behavioral surveillance survey, which included a sample of 1,640 people at risk of HIV/AIDS and sexually transmitted infections (STIs). The survey included case detection and treatment and technology transfer for bio-behavioral research, rapid testing, and on-going disease surveillance. From all available data, STI and HIV prevalence rates

are still low in Albania.

**Financing Primary Health Care:** A major achievement during FY 2005 was the testing of a more fully functional Health Management Information System (HMIS), which is giving health authorities and providers their first sound decision-making tool. PHC centers using standardized patient records, automated analyses, and reporting increased from 5 to 50 (about 10% of all centers in the country). This new HMIS, tested in Berat and endorsed by the Ministry of Health and HII, was successfully expanded during 2005 to more than 320 health centers in five regions. Designed to support health financing system reforms, nationwide roll-out is to be completed in 2006. Health care financing reform is a major challenge in consolidating PHC improvement and expansion. While continuing to increase PHC capacities, USAID is engaged in a policy dialogue with the GOA and other donors, most importantly the World Bank, to seek a solution for a single payer system. During the reporting period the GOA signed a decree to grant permission to the MOH and HII to begin implementing a single source mechanism which will bring transparency to and increase efficiency of PHC financing.

#### IV. Other Programs of Significance

**A. Country Situation:** Albania is categorized for the fourth consecutive year as a Tier 2 country in the State Department's Trafficking in Persons report. It remains a source country for the trafficking of women and children. While there is general agreement on the fact that the border police in Albania and neighboring countries are more sensitized about child trafficking, an increasing number of internal trafficking cases of "especially ethnic Roma and Egyptian children exploited for forced begging" have been noted in the US State Department's 2005 TIP Report. Regional and international experts consider Albania to have significantly decreased as a transit country for trafficking in Western Europe.

**B. U.S. Assistance Priorities:** The fight against trafficking in persons remains a regional priority. During the reporting period of FY05, USAID/Albania has developed, supported, and implemented the most comprehensive anti-trafficking effort in the Balkans. Not only does USAID/Albania have one of the largest bilateral anti-trafficking efforts in the Agency, but USAID is also the largest donor in Albania directing funds towards prevention of trafficking and better reintegration of former victims of trafficking. USAID focuses on the importance of prevention and awareness raising, reintegration and assistance services to victims of trafficking, and coordination efforts among local actors. USAID/Albania has taken a leading and proactive role in the fight against trafficking, and its strategy is based on the USAID agency-wide anti-trafficking approach of addressing the root causes and factors responsible for the phenomenon of trafficking of women and children, especially among Albania's most vulnerable populations. A USAID trafficking in persons program evaluation was completed in November 2005, providing detailed recommendations for strategy adjustment.

#### C. Program Performance:

**Anti-Trafficking in Persons:** USAID supports two anti-trafficking initiatives in Albania: The Transnational Action against Child Trafficking (TACT) and The Albanian Initiative: Coordinated Action against Human Trafficking (CAAHT). Both programs have developed a coordinated prevention and reintegration approach to address the issue of trafficking in Albania. The TACT project primarily deals with child trafficking. The project is implemented along five axes of intervention - prevention, protection, reintegration, assisted voluntary return, and coordination. TACT has a transnational and bilateral approach, which encourages coordination of anti-trafficking efforts within Albania and across its borders. The CAAHT project provides coordination and technical support at the national and regional level to leverage existing anti-trafficking activities. This umbrella contract aims to strengthen the capacity of civil society to more effectively combat trafficking in Albania.

The TACT project has expanded its geographic coverage to 17 districts out of 36, sensitized 35,764 children and community members to the dangers of trafficking in persons, provided followed-up protection to 1,229 children, and reintegrated 560 children into school, while seeking comprehensive, sustainable solutions to child trafficking. TACT continues to coordinate child protection with its Greek NGO partner, Arsis, in Athens and Thessalonica. A strong oral commitment was recently made by the Greek Government to join TACT's anticipated follow-on activity, TACT3, and commit 600,000 Euro to its implementation over the next three years through Hellenic Aid fund to Arsis in Albania. This action is an

important step forward for the program and its efforts to hold government accountable and get them directly involved with Greek, Albanian, and international NGO actors. Inclusion of the GOA as a signatory partner in this activity has also been encouraged, and increasingly, TACT has sought the involvement of public government institutions. The memorandum of understanding (MOU) between the TACT implementer and the Ministry of Labor and Social Affairs strengthened cooperation with public social structures at the local and regional levels. TACT also provided ongoing training to State social services staff with the aim of exchanging and enhancing current good practices in the fight against child trafficking. An MOU was signed in July 2005 between the TACT implementing partner and the General Directory of State Police of Albania, which formalizes and expands the existing cooperation between both parties.

This past year, CAAHT has awarded a total of 23 grants to local and international NGOs in the areas of prevention and reintegration, thus establishing at least one anti-trafficking activity in all 12 of Albania's regions. The project brought stakeholders together through 18 bi-monthly Regional Cluster Group (RCG) meetings which will continue at a more local and practical implementation level. Through the project 7,285 people were reached by public awareness and education media campaigns about the risks of trafficking in persons and 95 survivors of trafficking received services. A total of 66 officials were educated or trained through the project about trafficking in persons. The project exceeded its targets in terms of prevention and awareness but fell short of its targets on trainings of officials and number of victims assisted.

There are two ongoing key external challenges stemming from the Albanian environment. First, civil society is relatively young and weak in this country. Many Albanian NGOs still having difficulty implementing programs to address problems they recognize. A separate challenge from the environment is the number of different governmental divisions, NGOs and international agencies involved in providing direct assistance to victims of trafficking. They do not systematically share case information nor contribute to one consolidated database that can develop dependable, comparable case-based victim profiles and data. Both of USAID's anti-trafficking projects are working to address these issues.

It is anticipated that given the nature of trafficking and its root causes in rural and urban poverty, economic and political instability, corruption, unemployment, poor education, abuse of human rights and violence against women and children, anti-trafficking activities should increasingly involve cross-cutting elements, including education, health, democracy and governance, agricultural, and microcredit. Follow-on activities in anti-trafficking will include micro-credit and lending activities in an effort to assist vulnerable populations with employment and economic stability.

USAID efforts in combating trafficking complement other U.S. Embassy initiatives, including those of the Department of Justice (DOJ), which are working in the areas of law enforcement, interdiction, prosecution, and witness protection in Albania. The DOJ assisted the Ministries of Public Order and Justice in the drafting of the recently passed witness protection legislation and strengthen the transparency in the courts, while providing assistance to witnesses pending this law's full implementation. The result of these partnerships is a collaborative and comprehensive response to the phenomenon of trafficking in persons.

**Fostering Religious Harmony:** In its first year of implementation, USAID's Fostering Religious Harmony Program helped to induce Albania's major religious groups to seek common ground and collaborate in visible ways. Interfaith workshops were conducted on everything from conflict resolution to leadership, human rights, and cooperation. A grant-making component specifically targeted mixed-faith communities with the aim of fostering interfaith teamwork on local development projects. The project spawned Albania's first interfaith summer camp, which afforded 120 youths from Albania's major religious groups the chance to share experiences and concerns while learning about each others' faiths. Finally, a televised interfaith discussion was sponsored and two interfaith advisory committees in two target cities were established.

**Human and Institutional Capacity Development:** In FY2005, USAID implemented 34 training programs were organized and 15 small grants in direct support of USG objectives. Through the Participant Training Program, 3781 Albanians participated in training, whether tailored programs, conferences or through

grants. Seventeen Albanians took part in training or conferences in the United States, while another 163 took part in training programs or conferences in other Western or Central European countries. Of those participating in programs abroad, 53% were women. USAID also sponsored 11 in-country training programs in which 448 Albanians were trained in tailored programs and 2289 benefited from conference support. In addition to training programs, USAID awarded 15 grants to former training program participants to implement training related follow-on activities. Whether through carrying out grant activities or in-country training programs, many inexperienced local organizations and institutions improved their ability to organize and financially manage effective training and development activities.

**FY 2006 Program****SO: 182-0130 Growth of Self-Sustaining Private Enterprises in Target Sectors****Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$175,000 AEEB). USAID will continue strengthening the government's capacity to undertake appropriate actions to improve the business climate for private sector-led growth and investment. Special efforts will focus on policy and regulatory reforms in the areas of trade, finance, and energy, as well as on the promotion of simplified business registration, competitiveness, good governance, and business ethics. Principal contractor: Development Alternatives, Inc. (DAI) (prime).

**Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$4,655,000 AEEB, \$248,000 AEEB carryover, \$159,000 AEEB prior year recoveries). Technical assistance and training in technological innovations, business management, and marketing will be provided to micro, small and medium-sized enterprises (SMEs) to strengthen their competitiveness and market capability. USAID will focus on the following areas: 1) transforming leading SMEs into large scale production entities to take advantage of economies of scale, resulting in higher productivity, lower production costs and consequently lower competitive prices; 2) encouraging investments throughout vertical integration in the targeted sectors; 3) adopting internationally recognized quality standards to improve domestic market share and meet international export threshold requirements; and 4) penetrating international markets. USAID will expand its assistance to other sectors of high growth potential such as fresh and processed horticultural products. A new activity will support agricultural marketing by addressing major constraints at the lower end of the market value chains. USAID's efforts will help over 8,000 participating enterprises increase their sales to \$120 million in domestic markets and \$50 million in export markets. Principal contractors, grantees, and agencies: DAI (prime), Land O'Lakes, FFF Associates, Training Resources Group (TRG), and Institute for Development Research and Alternatives (IDRA) (subs); Chemonics International (prime) and other contractors TBD.

**Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen the Financial Services Sector & Increase Access to Capital (\$800,000 AEEB, \$564,000 AEEB carryover). In addition to supporting the micro-lending program, USAID will continue to help small and medium-sized enterprises access commercial credit through its small business assistance activity and the Development Credit Authority (DCA) loan portfolio guarantee program established at the end of FY 2005. The value of credit extended to USAID-assisted enterprises will reach at least \$20 million. In addition, USAID provides technical assistance to the Bank of Albania to improve financial sector stability and strengthen public confidence in the banking system in order to increase the flow of capital to the private sector. The Bank of Albania will further strengthen its internal operations and its capacity to supervise the Albanian banking system. USAID will also continue to assist the Deposit Insurance Agency and the Insurance Supervisory Authority. Principal contractors/grantees: Chemonics International and Financial Services Volunteer Corps (FSVC)(primes).

**FY 2007 Program****SO: 182-0130 Growth of Self-Sustaining Private Enterprises in Target Sectors****Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$175,000 AEEB). USAID will continue to assist the government to undertake policy and regulatory reforms that enhance the competitiveness of Albanian enterprises and encourage domestic and foreign investments. Efforts will focus on anti-corruption and reduction of regulatory and fiscal barriers to business development, improvement of the energy sector, and the maintenance of a sound and well-regulated financial sector. The expected outcome will be the

improvement of Albania's competitiveness index. Principal contractors/grantees: DAI (prime), and (IDRA) (sub).

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$3,145,000 AEEB). USAID will continue efforts to improve the competitiveness of the Albanian private sector, building on the results achieved in previous years. Emphasis will be increasingly placed on a cluster-based approach in order to maximize the economic impact of USAID assistance. Assistance to stimulate investment in vertical integration in targeted sectors will be intensified. Industry-wide interventions will be used to address issues such as lobbying for changes to government policies and administrative regulations, training activities to bolster the skilled labor force and to increase management capabilities, providing general market research for both domestic and export markets, and other situations where project activities can simultaneously benefit multiple firms in the same industry or in different industries. Over 10,000 private enterprises will benefit directly or indirectly from USAID's assistance to improve the sales of their products and services in domestic and international markets. Principal contractors/grantees: DAI (prime), FFF Associates, TRG, and IDRA (subs).

### **Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen The Financial Services Sector & Increase Access to Capital (\$1,230,000 AEEB). USAID will continue to support credit assistance programs that make credit available and accessible to private enterprises for technological innovations, product diversification and business expansion. More small and medium-sized enterprises will utilize the DCA loan portfolio guarantee program to obtain loans from commercial banks. The total value of credit extended to assisted private enterprises is expected to reach \$22 million. Efforts will be made to further improve the capacity of financial institutions such as the Bank of Albania, the Deposit Insurance Agency, the Insurance Supervisory Authority, and the Financial Intelligence Unit of the Ministry of Finance to help strengthen Albania's financial regulatory environment and provide a more secure, efficient, and transparent financial system to meet the credit, savings and insurance needs of businesses and individuals. Principal contractors/grantees: Chemonics International (prime), and FSVS (prime).

### **FY 2006 Program**

#### **SO: 182-0210 Increased Involvement of Civil Society in Economic and Political Decision Making**

### **Establish & Ensure Media Freedom & Freedom Of Information**

Establish & Ensure Media Freedom & Freedom Of Information (\$500,000 AEEB). USAID assistance will work to create a professional media. Activities include: 1) production assistance to broadcast media on televised investigative news shows; 2) assistance to Albania's first independent television network (ALBNET); 3) support to the Union of Journalists to enhance media independence and investigative reporting. Assistance will equip journalists with the skills to monitor financial disclosures and expose private as well as public sector ethical lapses. Principal contractors/grantees: National Democratic Institute (NDI)(prime), Partners for Democratic Change and The International Research and Exchanges Board (IREX)(subs).

### **Promote and Support Credible Elections Processes**

Promote and Support Credible Elections Processes (\$300,000 AEEB). USAID's provision of technical assistance for the election process is aimed at updating the civil registry in concert with the European Union and Albanian Ministry of Interior, which recently put forward a plan to implement a centralized registry with street addresses, utilizing USAID-produced digitized maps. Principal contractor: IFES (prime).

### **Strengthen Civil Society**

Strengthen Civil Society (\$1,327,000 AEEB, \$56,461 AEEB carryover, \$1,560 AEEB prior year recoveries). USAID will help nongovernmental organizations (NGOs) increase pressure on the Government of Albania to enforce anticorruption measures. In addition to financing domestic monitoring of the 2006 local elections, USAID will award grants to 25 NGOs from the Albanian Coalition Against Corruption to monitor implementation of anticorruption laws. USAID also aims to strengthen government accountability by training two independent Albanian organizations to administer polls with national samples ahead of the 2006 local elections. The Peace Corps Small Project Assistance program will provide assistance and training to local communities and governments for local economic development. Principal grantee: National Democratic Institute (NDI) (prime), PDC (sub).

### **Strengthen Democratic Political Parties**

Strengthen Democratic Political Parties (\$500,000 AEEB). USAID will provide training and technical assistance on a bi-monthly basis to the second class of party activists through a curriculum at the Leadership Academy founded by USAID in 2004. This year's focus will be political party financing. Principal grantee: NDI (prime).

### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government & Decentralization (\$1,400,000 AEEB). USAID assistance in this area is aimed at consolidating the decentralization process by enabling local governments to assume functions transferred to them by the central government and to improve the quality of locally provided public services. Four field offices became operational in FY 2005, and now give assistance to municipalities in 22 of the 36 districts. USAID will support citizen participation in local government budgeting through the service improvement action planning process. On the decentralization side, USAID will help associations formulate policy improvements to give authority to local governments. Special attention will be given to debt financing and the harmonization of laws affecting the decentralization process for key services. Principal contractor: The Urban Institute (prime).

### **FY 2007 Program**

#### **SO: 182-0210 Increased Involvement of Civil Society in Economic and Political Decision Making**

### **Strengthen Civil Society**

Strengthen Civil Society (\$1,754,000 AEEB). USAID plans to continue the civil society watchdog, polling and media activities outlined above. As there will be no elections during this period, the program's emphasis will be on monitoring anticorruption reform implementation. Contractors and grantees: to be determined (TBD).

### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government & Decentralization (\$1,500,000 AEEB). USAID plans to continue to support activities outlined above. Contractors and grantees: TBD.

### **FY 2006 Program**

#### **SO: 182-0220 Legal Systems that Better Support Democratic Processes and Market Reforms**

### **Promote And Support Anti-Corruption Reforms**

Promote and Support Anticorruption Reforms (\$1,300,000 AEEB). USAID will give technical assistance and training to audit institutions to increase their performance and compliance with anticorruption laws. USAID will train staff of the High Inspectorate for the Declaration and Audit of Assets (HIDAA) as well as staff from other relevant agencies implementing asset disclosure and conflict of interest laws. USAID will continue to assist the government bodies charged with inspecting and supervising the judiciary. USAID will help the Albanian bar association create a disciplinary mechanism to regulate and sanction unethical behavior of lawyers. USAID will also provide support for legislative reform, and help the Citizens Advocacy Office (CAO), a watchdog non-governmental organization, sustain its offices in Tirana and Durres and expand to two more cities. USAID will support the Albanian Media Council, a new association of journalists and media owners, as a means of promoting professional ethics among journalists. Principal contractors/grantees: Casals & Associates (prime), East West Management Institute, Institute for Policy and Legal Studies, CAO, and Albanian Media Institute (subs).

### **Strengthen the Legislative Function/Legal Framework**

Strengthen the Legislative Function/Legal Framework (\$600,000 AEEB, \$100,000 AEEB carryover, \$150,000 AEEB prior year recoveries). USAID will assist and train the Ombudsman and other government bodies charged with the implementation of the freedom of information law and administrative procedure code. USAID will also help journalists prepare a press law, draft a code of ethics, and assist with creating a self-regulatory body to oversee implementation of the code. Finally, USAID will give technical assistance and training for the implementation of Intellectual Property (IP) laws to lawyers, judges, and prosecutors to increase their knowledge on IP. Principal contractors/grantees: Casals & Associates (prime), East West Management Institute, Institute for Policy and Legal Studies, CAO, and Albanian Media Institute (subs).

### **FY 2007 Program**

#### **SO: 182-0220 Legal Systems that Better Support Democratic Processes and Market Reforms**

### **Promote And Support Anti-Corruption Reforms**

Promote And Support Anti-Corruption Reforms (\$1,035,000 AEEB). The activities funded in FY 2006 will continue to receive support in FY 2007. Technical, financial and training efforts will enable HIDAA to bring forward cases of fraudulent asset declarations, enable the judicial inspectorates and the chambers of advocates to bring forward cases of unethical behavior of judges and lawyers in order to make the political and judicial systems accountable for their actions. Contractors/grantees: to be determined (TBD).

### **Strengthen the Legislative Function/Legal Framework**

Strengthen the Legislative Function/Legal Framework (\$500,000 AEEB). The activities funded in FY 2006 will continue to receive support in FY 2007. USAID will continue to assist and train the Ombudsman and other government bodies charged with the implementation of the freedom of information law and administrative procedure code. USAID will also continue to assist with the implementation of the press law and the journalists' code of ethics, once they are approved. Finally, USAID will continue to give technical assistance and training for the implementation of IP laws to lawyers, judges and prosecutors to increase their knowledge on IP. Contractors/grantees: TBD.

### **FY 2006 Program**

#### **SO: 182-0320 Improved Selected Primary Health Care Services at Targeted Sites**

### **Address Other Health Vulnerabilities**

Address Other Health Vulnerabilities (\$800,000 AEEB, \$266,000 AEEB carryover). Better local management of chronic diseases and disabilities will become part of PHC system reforms in 2006. USAID will continue support for GOA health financing reforms to consolidate public funds for PHC into a



"single source payer" and to introduce managerial autonomy and performance-based contracting for PHC providers. Operational tests will begin region-wide in Berat and sites in Lezha district. In 2006, a new health management information system (HMIS) will be modified and extended nationally to monitor resource flows and provider performance, with the goals of supporting insurance reforms and improving supervision of the Ministry of Health (MOH). Principal contractors/grantees: University Research Corporation (URC)(prime), Bearing Point (sub) and World Council of Hellenes (prime).

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health & Nutrition (\$500,000 AEEB, \$200,000 AEEB carryover). USAID will continue supporting better identification of local PHC needs and the integration of essential peri-natal, infant, and child health services into PHC. Integration aims to increase access to higher quality services by bringing them closer to consumers, promoting "one-stop shopping" for basic PHC services, increasing continuity of care, improving provider performance, reducing missed opportunities, and increasing public demand for PHC while reducing reliance on more costly specialist care. PHC centers with the improved package of services should increase from 571 in 2005 to 900 in 2006. Principal contractor: URC (prime).

### **Improve Maternal Health & Nutrition**

Improve Maternal Health & Nutrition (\$450,000 AEEB). USAID will continue to support the integration of key maternal health services into the national PHC system. The percent of service providers trained or refreshed in PHC's Continuing Medical Education (CME) will increase from four percent of all nurses and midwives at the national level to just over 1,000 nurses and midwives, or about 12%. Training in quality improvement for general practitioners will begin during 2006. Principal contractor: URC (prime).

### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent & Control Infectious Diseases Of Major Importance (\$100,000 AEEB). USAID will continue support for surveillance and control of tuberculosis (TB). During 2006, more than 550 general practitioners and 1,000 nurses will be trained in TB early detection and proper DOTS (Directly-Observed Therapy, Short Course) case management. TB will be included as an element in the new USAID-supported PHC's Continuing Medical Education program. Groups will be trained and equipped with TB educational materials in 40 communes. Principal contractor: URC (prime)

### **Reduce Transmission & Impact Of HIV/AIDS**

Reduce Transmission & Impact of HIV/AIDS (\$100,000 AEEB, \$396,000 AEEB carryover). USAID will continue support for the government's National AIDS Program (NAP) monitoring and evaluation. Based on 2005 baseline findings from a sample of 1,640 people at highest risk of HIV and sexually transmitted infections (STI) in the capital city, HIV/STD surveillance will be extended outside the capital during 2006 and the research will be used for policy and behavior change actions. HIV prevention will be integrated into PHC services. USAID will continue collaboration with Albanian partners to implement the grant from the Global Fund for HIV/AIDS, TB, and Malaria, which includes technology transfer for HIV prevention and control to the Albanian Ministry of Health and the Albanian Institute of Public Health. Principal contractor: URC (prime).

### **Support Family Planning**

Support Family Planning (\$300,000 AEEB). USAID will continue support to increase use of modern methods of contraception for delaying first births, improving spacing, and reducing unwanted pregnancies. By the end of 2006 100% of the districts of Albania will have the capacity to provide family

planning services at PHC sites; the number of service delivery points will increase from 300 in 2005 to 466. The number of providers trained by Ministry of Health (MOH) master trainers will increase from 100 to 178 general practitioners and from 204 to 375 nurses and midwives. Combinations of mass media, print materials, and community mobilization will increase awareness of access to family planning methods and services and promote demand; campaigns in 2006 are expected to reach 80% of all married couples. Technical assistance will support logistics management and the MOH-led Contraceptive Security Commission, which aims to achieve uninterrupted supplies of contraception at the national level. Principal contractor: URC (prime).

#### **FY 2007 Program**

#### **SO: 182-0320 Improved Selected Primary Health Care Services at Targeted Sites**

##### **Address Other Health Vulnerabilities**

Address Other Health Vulnerabilities (\$700,000 AEEB). Technical assistance will continue for improvement of PHC services for priority non-communicable diseases, national roll-out of the HMIS system, and health system finance reforms. Contractors and grantees: to be determined (TBD).

##### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health & Nutrition (\$618,000 AEEB). Support will continue for a national roll-out of integrated, essential PHC services for infant and child health and maternal health. Contractors and grantees: TBD.

##### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent & Control Infectious Diseases Of Major Importance (\$100,000 AEEB). USAID will support national TB surveillance, technology transfer, and assessments of prevention and treatment actions. Contractors and grantees: TBD.

##### **Reduce Transmission & Impact Of HIV/AIDS**

Reduce Transmission & Impact Of HIV/AIDS (\$100,000 AEEB). USAID will continue support to the GOA National AIDS Program for monitoring HIV and STI among high-risk people and for analyses of the effectiveness of prevention activities. Contractors and grantees: TBD.

##### **Support Family Planning**

Support Family Planning (\$300,000 AEEB). Support will continue to attain nearly 100% of married couples nation-wide having access to modern methods of contraception. Contractors and grantees: TBD.

#### **FY 2006 Program**

#### **SO: 182-0410 Special Initiatives**

##### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$750,000 AEEB, \$949,000 AEEB prior year recoveries). USAID's technical assistance and training will focus on legal and regulatory development; implementation of the approved transitional energy market model; and managerial capacity building. The Albanian Electricity Regulatory Entity (ERE) will be assisted to continue improving its regulatory capacity and increase its independence and transparency. Assistance will be provided for the harmonization of power sector secondary legislation for domestic and regional electricity markets and for the improvement

of the financial management of KESH (the state-owned power company). An energy management training course will be organized for managers and specialists from the energy-related sectors. The USAID-supported partnership between ERE and the Indiana State Utility Commission, between the United States Energy Association (USEA) and KESH, as well as between Albanian Transmission System Operator (OST) and representatives of three utilities in the United States will continue to expose Albanian specialists to utility management best practices for metering, billings, and collections. Principal contractors: Pierce Atwood, Hunton & Williams, USEA, National Association of Regulatory Utility Commissioners (NARUC)(primes).

### **Reduce Trafficking In Persons**

Reduce Trafficking In Persons (\$1,530,000 AEEB, \$264,000 AEEB carryover). USAID will continue to fund efforts to decrease child trafficking, focusing along five key axes of intervention: prevention; protection; assisted voluntary return; reintegration; and coordination. Ongoing programs include school prevention and summer camp/community activities that offer a source of identification, prevention, and intervention for children at-risk. Coordination efforts along these axes will continue with a non-governmental organization partner in Greece, with particular attention given to safe, fast, and voluntary return of unaccompanied children detected in Greece. Assistance to combat trafficking in women and girls will focus specifically on prevention, reintegration, coordination, and NGO capacity building. The activities of 23 grants will be evaluated for impact and potential for sustainability in: social and political advocacy; technical assistance to shelters; institutional capacity building; and prevention and reintegration activities for victims of trafficking. USAID will continue to fund the maintenance of a database, which has compiled a comprehensive set of data on anti-trafficking activities being implemented by local actors throughout the country, and will be expanded with input from the 23 grantees. Support for Regional Cluster Groups (RCGs) involving local, international, and Government of Albania (GOA) anti-trafficking stakeholders will shift from a regional to a local approach. Principal contractors/grantees: Creative Associates International, Inc. (CAII), Terre des hommes (Tdh)(primes).

### **Strengthen Civil Society**

Strengthen Civil Society (\$194,000 AEEB carryover). USAID will continue to support interfaith dialogue with community initiatives and media related activities. Special attention will be given to women, youth, and local religious groups. Religious communities will continue to design and implement small grants. A documentary film to promote interfaith tolerance will be made. A regional network of interfaith activities will be established and advisory committees will be formed in the remaining target cities. Principal contractor: World Learning (prime).

### **FY 2007 Program**

#### **SO: 182-0410 Special Initiatives**

### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$500,000 AEEB). USAID plans to continue its technical assistance and training for the legal and regulatory development for ERE and the improvement of the national energy market. Principal contractors/grantees: Pierce Atwood, USEA, NARUC (primes).

### **Reduce Trafficking In Persons**

Reduce Trafficking In Persons (\$1,343,000 AEEB). USAID plans to fund activities to increase the capacity of social services and support the creation of a national child protection net. USAID plans to reduce the vulnerability of women and children by by empowering minorities and strengthening civil society's involvement in anti-trafficking efforts and improving coordination and information management among stakeholders. USAID plans to strengthen RCG participants' institutional capacity and to increase

collaboration among service providers and anti-trafficking stakeholders. A national trafficking database will be further developed. Principal contractors: Tdh (prime) and others TBD.

#### **FY 2006 Program**

#### **SO: 182-0420 Cross-Cutting Programs**

##### **Program Support**

Program Support (\$2,814,000 AEEB, \$171,806 AEEB carryover). These activities benefit the total USAID program. USAID will continue its training efforts in support of the growth of private enterprise, strengthening citizen participation, the rule of law, improved health care, and initiatives in support of energy provision, anti-trafficking and religious harmony. Nearly 900 participants will be trained this year in-country and abroad. Technical expertise will be provided to assist institutions in the sectors of energy, anti-trafficking, local governance, economic growth and health.

Several training sessions will improve the technological and marketing capacity of private firms in sectors such as tourism and agro-business. Training will also assist institutions dealing with agricultural extension and those offering loans to the micro, small and medium-sized enterprises. Approximately 275 people will receive training that contributes to the growth of private enterprise.

USAID will increase citizen participation and strengthen the legal system by providing training, technical assistance or grants. Specifically, assistance will be provided to nearly 200 participants: to the Association of Municipalities and local governments with the aim of providing better local services; to political parties and local candidates to improve campaign management skills; and to rural citizens in order to increase advocacy skills. Training will be provided for over 30 participants in support of the bodies responsible for judicial inspection, the National Chamber of Advocates, and the Ombudsman's office.

Training programs and grants will be utilized to improve primary health care with interventions designed to assist the Albanian Health Insurance Institute with its health information systems, rural health centers with contract negotiation and management and health promotion, as well as flow of data for contraceptives. Approximately 150 participants will receive training for health related activities.

Training programs and grants will also focus on issues related to energy, human trafficking, and religious harmony. Nearly 300 people will benefit from training or technical assistance in these fields. Principal contractor: World Learning (prime).

The Audit, Evaluation and Program Support (AEPS) program serves as the principal resource for activity design, evaluation, and program support. AEPS continues to fund Foreign Service National and U.S. Personal Service Contractors positions in support of specific strategic objectives. The Mission also uses these funds to train staff and implement the Agency's performance-based management policies. In addition, these funds will be used for the lease and other services related to the relocation of USAID offices.

#### **FY 2007 Program**

#### **SO: 182-0420 Cross-Cutting Programs**

##### **Program Support**

Program Support (\$2,273,000 AEEB). USAID plans to continue its training, technical assistance, institutional performance assessment and small grants programs. Work in private enterprise is planned to support next step efforts in small and medium enterprise development including tourism, meat-processing and other agro-business, access to credit and improved business environment. Training programs and small grants in support of informed citizen participation and strengthened rule of law in FY 2007 are planned to strengthen the ability of institutions and organizations to fight corruption and offer improved services to citizens at the municipal level. Resources will also continue to focus on strengthening the

quality of primary health care and access to family planning as well as initiatives in anti-trafficking and energy. Principal contractor is: World Learning (prime).

## **Results Framework**

### **182-0130 Growth of Self-Sustaining Private Enterprises in Target Sectors**

**Program Title: Economic Restructuring and Agriculture Development**

**IR 1:** Competitiveness Capacity of Assisted Enterprises Strengthened

**IR 2:** Access of Assisted Enterprises to Financial Resources Increased

**IR 3:** Competitive Business Environment Improved

### **182-0210 Increased Involvement of Civil Society in Economic and Political Decision Making**

**Program Title: Civil Society**

**IR 1:** Citizen Participation in Public Discussions on Key Governance Issues Increased

**IR 2:** Increased Citizen Confidence in Accuracy of News and Information

**IR 3:** Increased Independence of Local Administration from Central Government

**IR 4:** Representative Government Institutions Strengthened

### **182-0220 Legal Systems that Better Support Democratic Processes and Market Reforms**

**Program Title: Rule of Law**

**IR 1:** Legal Sector Institutions Improved

**IR 2:** Complementary Measures for a More Transparent Legal System

### **182-0320 Improved Selected Primary Health Care Services at Targeted Sites**

**Program Title: Improving Primary Health Care (PHC) in Albania**

**IR 1:** Health Resources Efficiently Managed

**IR 2:** Quality of Primary Health Care Services Improved

**IR 3:** Use of Primary Health Care Services Increased

### **182-0410 Special Initiatives**

**Program Title: Special Initiatives**

### **182-0420 Cross-Cutting Programs**

**Program Title: Cross-Cutting Programs**